

KSK Electricity Financing India Private Limited
Balance sheet as at 31 March 2017

(All amounts are in ₹ million, unless otherwise stated)

	Notes	31 Mar 2017	31 Mar 2016	01 Apr 2015
1 ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	5	19.05	22.36	24.49
(b) Financial Assets				
i) Investments	6	10,966.81	9,878.93	9,665.59
ii) Loans	8	0.48	0.48	0.48
iii) Other financial assets	7	3,047.17	2,024.60	1,680.52
(c) Deferred tax assets, net	10	-	-	1.51
(d) Other non-current assets	9	0.26	2.79	10.80
		14,033.78	11,929.15	11,383.40
2 Current assets				
(a) Financial Assets				
i) Cash and cash equivalents	11	8.23	3.36	7.15
ii) Loans	8	1,999.63	1,617.60	15.45
iii) Other financial assets	7	1.01	0.60	0.21
(b) Other current assets	9	0.12	4.95	0.39
		2,008.99	1,626.50	23.21
TOTAL		16,042.77	13,555.65	11,406.61
II EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	12	5,701.15	5,701.15	5,701.15
b) Other equity		(893.21)	(1,001.00)	(896.77)
		4,807.94	4,700.15	4,804.38
I Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	13	2,491.37	2,317.08	2,221.17
(ii) Other financial liabilities	15	474.54	276.85	98.88
		2,965.91	2,593.93	2,320.04
2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	13	3,073.98	3,065.54	2,598.70
(ii) Trade Payables	14	0.75	2.19	0.86
(iii) Other financial liabilities	15	5,184.49	3,181.16	1,679.33
(b) Other current liabilities	16	9.69	12.67	3.29
		8,268.92	6,261.57	4,282.18
TOTAL		16,042.77	13,555.65	11,406.61

See accompanying notes to the financial statements

As per our report of even date

For Umamaheswara Rao & Co.

Chartered Accountants

Firm registration No. 004453S

for and on behalf of the Board

Sd/-
S.Venugopal
Partner
Membership No: 205565

Sd/-
B.N. Prakash
Managing Director & CFO
DIN : 05118633

Sd/-
V. Sambasiva Rao
Director
DIN : 00801763

Place : Hyderabad
Date : 26 May 2017

Sd/-
Ranjith Kumar Shetty
Company Secretary

KSK Electricity Financing India Private Limited
Statement of Profit and Loss for the year ended 31 March 2017

(All amounts are in ₹ millions, unless otherwise stated)

	Notes	Year ended 31 Mar 2017	Year ended 31 Mar 2016
I Other income	17	628.43	558.84
II Total revenue		628.43	558.84
III Expenses			
Employee benefits expenses	18	2.19	5.17
Finance cost	19	512.24	648.89
Other expenses	20	2.94	3.62
Depreciation	5	3.31	3.78
Total expenses		520.67	661.47
IV Profit/ (loss) before tax (II - III)		107.76	(102.63)
V Tax expense / (Income)			
Deferred tax		-	1.51
Total tax expense/ (income)		-	1.51
VI Profit/(loss) for the year (IV - V)		107.76	(104.14)
VII Other comprehensive income			
Items that will not be reclassified to profit or loss	21	0.02	(0.09)
Other comprehensive income (loss)/gain		0.02	(0.09)
VIII Total Comprehensive income/(loss) for the year (VI+VII)		107.79	(104.23)
IX Earnings/ (loss) per share (EPS) :			
Basic and diluted - face value Rs.10 per share	22	0.19	(0.18)

See accompanying notes to the financial statements

As per our report of even date

For Umamaheswara Rao & Co.

Chartered Accountants

Firm registration No. 004453S

Sd/-

S.Venugopal

Partner

Membership No: 205565

for and on behalf of the Board

Sd/-

B.N. Prakash

Managing Director & CFO

DIN : 05118633

Sd/-

V. Sambasiva Rao

Director

DIN : 00801763

Sd/-

Ranjith Kumar Shetty

Company Secretary

Place : Hyderabad

Date : 26 May 2017

KSK Electricity Financing India Private Limited
Statement of Changes in Equity for the year ended 31 March 2017

(All amounts are in ₹ millions, unless otherwise stated)

A. Equity Share Capital

Particulars	No. of Shares	Amount
Balance as at 01 April, 2015	570,115,305	5,701.15
Changes in equity share capital during the year :		
i) Shares issued during the year	-	-
Balance as at 31 March 2016	570,115,305	5,701.15
Balance as at 01 April, 2016	570,115,305	5,701.15
Changes in equity share capital during the year :		
i) Shares issued during the year	-	-
Balance as at 31 March 2017	570,115,305	5,701.15

B. Other Equity

Particulars	Reserves and surplus		Items of OCI	Total
	Retained Earnings	Equity component of compound financial instruments	Actuarial gain or (losses)	
Balance as at 1st April 2015	(2,029.76)	1,132.99	-	(896.77)
(Loss) / profit for the year	(104.14)			(104.14)
Remeasurement of defined benefit plans, net of tax	-	-	(0.09)	(0.09)
Total comprehensive (loss)/profit for the year	(104.14)	-	(0.09)	(104.23)
Balance as at 31st Mar 2016	(2,133.90)	1,132.99	(0.09)	(1,001.00)
Balance as at 1st April -2016	(2,133.90)	1,132.99	(0.09)	(1,001.00)
(Loss) / profit for the year	107.76	-	-	107.76
Remeasurement of defined benefit plans, net of tax	-	-	0.02	0.02
Total comprehensive (loss)/profit for the year	107.76	-	0.02	107.79
Balance as at 31st Mar 2017	(2,026.14)	1,132.99	(0.07)	(893.21)

See accompanying notes to the financial statements

As per our report of even date
For Umamaheswara Rao & Co.

Chartered Accountants
Firm registration No. 004453S

for and on behalf of the Board

Sd/-
S.Venugopal
Partner
Membership No: 205565

Sd/-
B.N. Prakash
Managing Director & CFO
DIN : 05118633

Sd/-
V. Sambasiva Rao
Director
DIN : 00801763

Place : Hyderabad
Date : 26 May 2017

Sd/-
Ranjith Kumar Shetty
Company Secretary

KSK Electricity Financing India Private Limited
Cash flow statement for the year ended 31 March 2017
(All amounts are in ₹ millions, unless otherwise stated)

	31 Mar 2017	31 Mar 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	107.79	(102.63)
Adjustments for		
Depreciation and amortisation expenses	3.31	3.78
Finance costs	512.24	648.89
Interest income	(628.43)	(557.87)
Others	-	(0.09)
Operating loss before working capital changes	(5.10)	(7.91)
Adjustments for working capital		
Loans and advances	45.33	(348.69)
Trade payables	(1.44)	1.34
Other current liabilities and provisions	(3.55)	10.30
Cash generated used in operations	35.23	(344.97)
Direct taxes (paid)/refund	7.02	3.72
Net cash provided by /(used in) operating activities	42.25	(341.25)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work-in-progress	-	(1.88)
Advance for investments, net	(640.10)	-
Inter corporate deposit given / refund, net	(427.03)	(1,253.51)
Purchase of investments	(842.55)	(10.40)
Interest income	0.21	10.47
Net cash provided by /(used in) investing activities	(1,909.47)	(1,255.33)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed/(repayment) of long term borrowings	110.11	40.11
Proceed/(repayment) from short term borrowings, net	2,042.39	1,918.54
Payment of finance costs	(280.41)	(365.87)
Net cash provided by /(used in) financing activities	1,872.09	1,592.78
Net increase/(decrease) in cash and cash equivalents	4.86	(3.79)
Cash and cash equivalents at the beginning of the year	11 3.36	7.15
Cash and cash equivalents at the end of the period	11 8.23	3.36
See accompanying notes to the financial statements		

As per our report of even date
For Umamaheswara Rao & Co.
Chartered Accountants
Firm registration No. 004453S

for and on behalf of the Board

Sd/-

S.Venugopal
Partner

Membership No: 205565

Place : Hyderabad
Date : 26 May 2017

Sd/-

B.N. Prakash
Managing Director &
CFO
DIN : 05118633

Sd/-

V. Sambasiva Rao
Director
DIN : 00801763

Sd/-

Ranjith Kumar Shetty
Company Secretary

KSK Electricity Financing India Private Limited

Notes to Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

1 Company overview

KSK Electricity Financing India Private Limited ('the Company'), is a Private Company domiciled in India and incorporated under the provisions of Companies Act applicable in India. The Registered Office of the Company is located at 8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad – 500 033. The Company is primarily engaged in the development of private sector power projects.

2 Basis of Preparation

2.1 Statement of Compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, 'First-time adoption of Indian Accounting Standards' has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 25.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest million, unless otherwise stated.

2.3 Basis of measurement

These financial statements have been prepared on historical cost basis except for the following items:

- Financial instruments that are designated as being at fair value through profit or loss account or through other comprehensive income upon initial recognition are measured at fair value;
- Net employee defined benefit (asset) / liability that is measured based on actuarial valuation.

3 Significant accounting policies

3.1 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost includes expenditures that are directly attributable to property plant and equipment such as employee cost, borrowing costs for long-term construction projects etc., if recognition criteria are met. Likewise, when a major inspection is performed, its costs are recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other repairs and maintenance costs are recognised in statement of profit and loss as incurred. Depreciation is computed, based on technical assessment made by technical expert and management estimate, on straight-line basis over the estimated useful life which are consistent with the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used as follows:

Nature of asset	Useful life (years)
Other plant and equipment	3-10

Assets in the course of construction are stated at cost and not depreciated until commissioned.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit and loss in the year the asset is derecognised.

KSK Electricity Financing India Private Limited
Notes to Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if appropriate.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible asset recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.2 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.3 Financial assets

Initial recognition & measurement

All regular way purchases or sales of financial assets are recognised/derecognised on a trade date basis

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instrument at amortised cost
- Debt instrument at fair value through other comprehensive income (FVTOCI).
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI)
- Debt instrument, derivatives and equity instruments at fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held with in a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

KSK Electricity Financing India Private Limited
Notes to Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For the equity instruments Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

KSK Electricity Financing India Private Limited
Notes to Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

3.4 Financial liabilities

Initial recognition

Financial liabilities within the scope of IND AS 109 are classified as

- Fair value through profit or loss
- Other financial liability at amortised cost

The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if criteria of IND AS 109 are satisfied.

Loans and borrowings at amortised cost

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the amortisation process.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Amortised cost of financial instruments

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit and loss.

KSK Electricity Financing India Private Limited
Notes to Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

3.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company- uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company, and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in accordance with the relevant agreements, net of discounts, rebates and other applicable taxes and duties.

Interest and dividend income

Revenue from interest is recognised on an accrual basis (using the effective interest rate method). Revenue from dividends is recognised when the right to receive the payment is established.

3.7 Taxes

Current income tax : Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income tax : Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

KSK Electricity Financing India Private Limited
Notes to Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint operations, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credit and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint operations, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities, relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

3.8 Leases

Company as a lessee

Operating lease payments are recognised as an expense in the statement of profit and loss on accrual basis.

3.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets.

All other borrowing costs including transaction costs are recognised in the statement of profit and loss in the year in which they are incurred, the amount being determined using the effective interest rate method.

KSK Electricity Financing India Private Limited
Notes to Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

3.10 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit and loss, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

3.11 Cash and short-term deposits

Cash and short-term deposits in the Balance Sheet comprise cash at banks and on hand and short-term deposits.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and readily convertible short-term deposits, net of restricted cash and outstanding bank overdrafts.

3.12 Earnings per share

The earnings considered in ascertaining the Company's earnings per share (EPS) comprise the net profit or loss for the period attributable to equity holders. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to equity holders (after adjusting for effects of all dilutive potential equity shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential shares into equity shares.

3.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

KSK Electricity Financing India Private Limited
Notes to Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

3.14 Employee benefits

Gratuity

In accordance with Gratuity laws, the Company provides for gratuity, a defined benefit retirement plan (“the Gratuity Plan”) covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the gratuity fund administered and managed by Life Insurance Corporation of India, a Government of India undertaking which is a qualified insurer.

The Company recognises the net obligation of a defined benefit plan in its Balance sheet as an asset or liability, respectively in accordance with IND AS 19, Employee benefits. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense / (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss

Provident fund

Eligible employees of Company receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary and the employer contribution is charged to statement of profit and loss. The benefits are contributed to the government administered provident fund, which is paid directly to the concerned employee by the fund. The Company has no further obligation to the plan beyond its monthly contributions.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid towards bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IND AS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Company in the financial statements are as set out above. The application of a number of these policies required the Company to use a variety of estimation techniques and apply judgment to best reflect the substance of underlying transactions.

The Company has determined that a number of its accounting policies can be considered significant, in terms of the management judgment that has been required to determine the various assumptions underpinning their application in the financial statements presented which, under different conditions, could lead to material differences in these statements.

The policies where significant estimates and judgments have been made are as follows:

KSK Electricity Financing India Private Limited
Notes to Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- *Estimation of fair value of acquired financial assets and financial liabilities*: When the fair value of financial assets and financial liabilities recorded in the Balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- *Taxes*: Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessment by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax assessment and differing interpretations of tax laws by the taxable entity and the responsible tax authority. The Company assesses the probability for litigation and subsequent cash outflow with respect to taxes.

Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- *Gratuity benefits*: The cost of defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Actual results can differ from estimates.

Judgement

In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

- *Useful lives of depreciable assets*: Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence, particularly relating to software and information technology equipment.

KSK Electricity Financing India Private Limited**Notes to Financial Statements**

(All amounts are in ₹ millions, unless otherwise stated)

5 Property, plant and equipment

	Land- Freehold	Lease hold improvement	Furntiure fixtrures	Office equipment & Computers	Total
Deemed cost					
As at 1 April 2015	12.71	6.14	1.81	3.82	24.49
Additions	1.65	-	-	-	1.65
Disposals/transfers	-	-	-	(0.01)	(0.01)
As at 31 March 2016	14.36	6.14	1.81	3.82	26.14
As at 1 April 2016	14.36	6.14	1.81	3.82	26.14
Additions	-	-	-	-	-
Disposals/transfers	-	-	-	-	-
As at 31 March 2017	14.36	6.14	1.81	3.82	26.14
Depreciation					
As at 1 April 2015	-	-	-	-	-
Additions	-	1.94	0.24	1.60	3.78
Disposals/transfers	-	-	-	(0.01)	(0.01)
As at 31 March 2016	-	1.94	0.24	1.60	3.77
As at 1 April 2016	-	1.94	0.24	1.60	3.77
Additions	-	1.47	0.24	1.60	3.31
Disposals/transfers	-	-	-	-	-
As at 31 March 2017	-	3.41	0.47	3.20	7.08
Net book value					
As at 1 April 2015	12.71	6.14	1.81	3.82	24.49
As at 31 March 2016	14.36	4.20	1.58	2.22	22.36
As at 31 March 2017	14.36	2.73	1.34	0.62	19.05

(i) Property, plant and equipment with a carrying amount of ₹ 14.36 (31 March 2016: ₹ 14.36; 1 April 2015: ₹ 12.71) is subject to security restrictions (refer note 13)

6 Investments

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non Current investments			
Investments in equity instruments (unquoted fully paid up,)			
Investment in joint venture at cost			
489,960 (31 Mar 2016: 489,960; 1 Apr 2015: 489,960) equity shares in Sitapuram Power Limited.	4.90	4.90	4.90
Investment in subsidiary at cost			
133,990,920 (31 Mar 2016: 133,990,920; 1 Apr 2015: 133,990,920) Class B equity shares in VS Lignite Power Private Limited.	1,482.82	1,482.82	1,482.82
38,504,960 (31 Mar 2016: 38,504,960; 1 Apr 2015 : 38,504,960) Class B equity shares in Sai Lilagar Power Generation Limited. (Formerly known as Sai Lilagar Power Limited)	419.87	419.87	419.87
36,995,000 (31 Mar 2016: 36,995,000; 1 Apr 2015 : 36,995,000) Class A equity shares in Sai Lilagar Power Generation Limited. (Formerly known as Sai Lilagar Power Limited)	369.95	369.95	369.95

KSK Electricity Financing India Private Limited**Notes to Financial Statements**

(All amounts are in ₹ millions, unless otherwise stated)

	31 Mar 2017	31 Mar 2016	01 Apr 2015
12,360,000 (31 Mar 2016: 12,360,000; 1 Apr 2015 : 12,360,000) Class B equity shares in Sai Regency Power Corporation Private Limited.	156.81	156.81	156.81
299,063,325 (31 Mar 2016: 299,063,325; 1 Apr 2015: 271,875,617) Class B equity shares in Sai Wardha Power Generation Limited. (Formerly known as Sai Wardha Power Limited)	2,990.63	2,990.63	2,718.76
2,563,254 (31 Mar 2016: Nil; 1 Apr 2015 Nil) equity Share in KSK Wind Energy Halagali Benchi Private Limited	256.33	-	-
2,544,485 (31 Mar 2016: Nil; 1 Apr 2015 Nil) equity Share in KSK Wind Energy Mothali Haveri Private Limited	254.45	-	-
2,544,481 (31 Mar 2016: Nil; 1 Apr 2015 Nil) equity Share in KSK Wind Power Sankonahatti Athni Private Limited	254.45	-	-
Investment in associate at cost			
773,254 (31 Mar 2016: Nil; 1 Apr 2015 Nil) equity Share in KSK Wind Power Aminabhavi Chikodi Private Limited	77.33	-	-
At fair value through other comprehensive income			
2 (31 Mar 2016: 2; 1 Apr 2015 : 2) equity Share in KSK Mahanadi Power Company Limited.	0.00	0.00	0.00
Investments in preference shares			
<i>(unquoted, fully paid up)</i>			
Investment in joint venture at amortised cost			
1,755,000 (31 Mar 2016: 1,755,000; 1 Apr 2015 1,755,000) 18% redeemable cumulative participative preference share in Sitapuram Power Limited.	175.50	175.50	175.50
196,000 (31 Mar 2016: 196,000; 1 Apr 2015: 196,000) 15% redeemable cumulative preference shares in Sitapuram Power Limited.	19.60	19.60	19.60
Investment in subsidiary at amortised cost			
98,500,000 (31 Mar 2016: 98,500,000; 1 Apr 2015 : 98,500,000) 14% redeemable cumulative preference shares in VS Lignite Power Private Limited.	985.00	985.00	985.00
150,031,236 (31 Mar 2016: 150,031,236; 1 Apr 2015 : 177,218,944) 0.01% redeemable cumulative preference shares in Sai Wardha Power Generation Limited. (Formerly known as Sai Wardha Power Limited)	1,500.31	1,500.31	1,772.19
21,190,000 (31 Mar 2016: 21,190,000; 1 Apr 2015 : 21,190,000) Class B 0.01% redeemable cumulative preference shares in Sai Wardha Power Generation Limited.(Formerly known as Sai Wardha Power Limited)	91.70	79.74	69.34
Equity portion of hybrid instrument			
Investment in subsidiary			
Sai Wardha Power Generation Limited (Formerly known as Sai Wardha Power Limited)	142.56	142.56	142.56

KSK Electricity Financing India Private Limited**Notes to Financial Statements**

(All amounts are in ₹ millions, unless otherwise stated)

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Investments in Debentures at amortised cost			
<i>(unquoted, fully paid up)</i>			
15,460,000 (31 Mar 2016: 15,460,000; 1 Apr 2015 : 15,460,000) 0.01%	60.09	52.23	45.40
Optionally convertible debentures in KSK Dibbin Hydro Power Private Limited			
93,539,000 (31 Mar 2016: 93,539,000 ; 1 Apr 2015 : 93,539,000) 0.01%	363.58	316.03	274.69
Optionally convertible debentures in Kameng Dam Hydro Power Limited			
8,326,000 (31 Mar 2016: 8,326,000; 1 Apr 2015 : 8,326,000) 0.01%	32.36	28.13	24.45
Optionally convertible debentures in KSK Dinchang Power Company Private Limited			
5,780,000 (31 Mar 2016: 5,780,000 ; 1 Apr 2015 : 5,780,000) 0.01%	22.47	19.53	16.97
Optionally convertible debentures in KSK Jameri Hydro Power Company Private Limited			
193,229,000 (31 Mar 2015: 193,229,000; 1 Apr 2015 : 193,229,000) 0.01%	751.07	652.85	567.45
Optionally convertible debentures in KSK Upper Subansiri Hydro Energy Limited			
143,050,000 (31 Mar 2015: 143,050,000 ; 1 Apr 2015 : 143,050,000) 0.01%	555.03	482.45	419.33
Optionally convertible debentures in JR Power Gen Private Limited			
	10,966.81	9,878.93	9,665.59
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	10,966.81	9,878.93	9,665.59
Aggregate amount of impairment in the value of investments	-	-	-

7 Other financial assets

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current			
<i>Unsecured, considered good</i>			
Interest accrued	2,407.07	2,024.60	1,680.52
Advance for investments	640.10	-	-
Total (A)	3,047.17	2,024.60	1,680.52
Current			
<i>Unsecured, considered good</i>			
Interest accrued	1.01	0.60	0.21
Total (B)	1.01	0.60	0.21
Total (A+B)	3,048.18	2,025.19	1,680.73

KSK Electricity Financing India Private Limited**Notes to Financial Statements**

(All amounts are in ₹ millions, unless otherwise stated)

8 Loans

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current			
<i>Unsecured, considered good</i>			
Security deposit	0.48	0.48	0.48
Total (A)	0.48	0.48	0.48
Current			
<i>Unsecured, considered good</i>			
Loans and advances	1,999.63	1,617.60	15.45
Total (B)	1,999.63	1,617.60	15.45
Total (A+B)	2,000.11	1,618.08	15.93

9 Other assets

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current			
Capital advance	0.20	0.20	-
Advance tax and tds receivable (net of provision for tax)	0.06	2.59	10.80
Total (A)	0.26	2.79	10.80
Current			
Prepaid expenses	0.12	0.45	0.39
Balances with statutory authorities	-	4.50	-
Total (B)	0.12	4.95	0.39
Total (A+B)	0.39	7.73	11.20

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following table sets out the status of the gratuity plans as required under Ind AS 19

A. Net Benefit asset/(liability)

	31 Mar 2017	31 Mar 2016	1 Apr 2015
Defined benefit obligation	0.29	0.24	0.16
Fair value of plan assets	(0.41)	(0.41)	(0.44)
Benefit liability	(0.12)	(0.18)	(0.28)

B. Defined benefit obligation:

	31 Mar 2017	31 Mar 2016
Defined benefit obligation as at the beginning of the year	0.24	0.16
Included in Included in income statement		
Current service cost	0.05	0.04
Interest cost	0.02	0.01
Include in other comprehensive income remeasurement loss/ (gain)		
Actuarial losses/(gains) on obligation	(0.02)	0.09
Others		
Benefits paid	-	(0.06)
	0.29	0.24
Defined benefit obligation as at the end of the year	0.29	0.24

KSK Electricity Financing India Private Limited**Notes to Financial Statements**

(All amounts are in ₹ millions, unless otherwise stated)

C. Fair value of plan assets :

	31 Mar 2017	31 Mar 2016
Fair Value of Plan Assets		
Fair value of plan assets beginning of the period	0.41	0.44
Included in income statement		
Interest income	0.03	0.03
Employee's contribution (net of charges)	0.00	-
Benefits paid	-	(0.06)
	0.45	0.42
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	(0.03)	(0.00)
	(0.03)	(0.00)
Others		
Benefits Paid	-	-
	-	-
Fair value of plan assets end of the period	0.41	0.41

Net defined benefit liability (asset)

	31 Mar 2017	31 Mar 2016
Balance	(0.18)	(0.28)
Included in income statement		
Current service cost	0.05	0.04
Interest cost	0.02	-
Interest cost / (income)	-	(0.02)
	0.07	0.02
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	0.03	0.00
	0.03	0.00
Others		
Benefits paid	-	-
	-	-
Defined benefit obligation as at the end of the year	0.10	0.02

Asset information

Category of Assets	31 Mar 2017	31 Mar 2016
Insurer managed funds	100%	100%

The principal assumptions used in determining the obligation towards the Company's plan as shown below:

	31 Mar 2017	31 Mar 2016
Discount rate	7.45%	7.80%
Salary escalation	10.00%	10.00%

Sensitivity analysis

	31 Mar 2017		31 Mar 2016	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1% movement)	0.01	(0.01)	0.01	(0.01)
Salary Growth Rate (- / + 1% movement)	(0.01)	0.01	(0.01)	0.01

Discount rate: The discount rate is based on the prevailing market yields of indian government securities as at balance sheet date for the estimated term of the obligations

KSK Electricity Financing India Private Limited**Notes to Financial Statements**

(All amounts are in ₹ millions, unless otherwise stated)

10 Deferred income tax at 31 Mar 2017 and 31 Mar 2016 relates to the following:

	1 April 2016	Recognised in the income statement	Recognised in OCI	31 March 2017
Deferred income tax assets				
Property, plant and equipment	-	-	-	-
	-	-	-	-
Deferred income tax liabilities	-	-	-	-
	-	-	-	-
Deferred income tax assets, net	-	-	-	-
	1 April 2015	Recognised in the income statement	Recognised in OCI	31 March 2016
Deferred income tax assets				
Property, plant and equipment	1.51	(1.51)	-	-
	1.51	(1.51)	-	-
Deferred income tax liabilities	-	-	-	-
	-	-	-	-
Deferred income tax assets, net	1.51	(1.51)	-	-

Tax Reconciliation

Reconciliation between tax expense and the product of accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2017 and 31 March 2016 is as follows:

	31 Mar 2017	31 Mar 2016
Accounting Profit Before tax	107.76	(102.63)
Enacted tax rates	34.608%	34.608%
Tax on Profit at enacted rates	37.29	(35.52)
Expenditure not deductible for tax purpose	(195.22)	(238.64)
Income not taxable for tax purpose	157.33	274.98
Income exempted or taxed at lower rates		
Unrecognised deferred tax assets	0.59	0.68
Deferred tax for dep		-
Actual tax expense	0.00	1.51

11 Cash and bank balances

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Cash on hand	0.07	0.05	0.04
Balances with banks			
- Current accounts	8.15	3.32	7.11
	8.23	3.36	7.15

KSK Electricity Financing India Private Limited**Notes to Financial Statements**

(All amounts are in ₹ millions, unless otherwise stated)

Share capital

	31 Mar 2017	31 Mar 2016	01 Apr 2015
12 Authorised :			
1,500,000,000 (31 Mar 2016: 1,500,000,000; 1 Apr 2015 : 1,500,000,000) equity shares of Rs. 10 each	15,000.00	15,000.00	15,000.00
	15,000.00	15,000.00	15,000.00
Issued, subscribed and paid-up :			
570,115,305 (31 Mar 2016: 570,115,305, 1 Apr 2015: 570,115,305) equity shares of Rs. 10 each fully paid-up	5,701.15	5,701.15	5,701.15
	5,701.15	5,701.15	5,701.15

Note :

a) The company has only one class of equity shares having a par value of Rs 10/- per share. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of the shareholders.

b) Reconciliation of number of shares outstanding

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Equity shares			
Outstanding at the beginning of the year	570.12	570.12	570.12
Issued during the period	-	-	-
Outstanding at the end of the year	570.12	570.12	570.12

c) Equity shares held by holding company and its subsidiaries

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Holding Company			
No of shares held	570.12	570.12	570.12
% of shares held	100%	100%	100%

d) Particulars of shareholders holding more than 5% of the shares

	31 Mar 2017	31 Mar 2016	01 Apr 2015
KSK Energy Ventures Limited			
No of shares held	570.12	570.12	570.12
% of shares held	100%	100%	100%

KSK Electricity Financing India Private Limited**Notes to Financial Statements**

(All amounts are in ₹ millions, unless otherwise stated)

13 Borrowings

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non Current			
<i>Secured</i>			
Debentures			
2,000 (31 Mar 2016 : 1,890, 1 April 2015 : 1,850) Multiple Option Non - Convertible Debentures of Rs.1,000,000/- each (refer note a)	1,999.38	1,889.27	1,849.16
<i>Unsecured</i>			
Debentures			
150,500,000 (31 Mar 2016 : 150,500,000, 1 April 2015 : 150,500,000) Convertible Debentures of Rs.10/- each	491.99	427.81	372.01
Total (A)	2,491.37	2,317.08	2,221.17
Current			
<i>Unsecured</i>			
Loan against deposits from banks	590.00	1,212.20	2,598.70
Loans from related parties	2,483.98	1,746.36	-
Loans from others	-	106.97	-
Total (B)	3,073.98	3,065.54	2,598.70
Total (A+B)	5,565.35	5,382.62	4,819.87

Details of security provided for credit facilities

(a) Multiple Option Non-Convertible debentures are secured by way of mortgage of Company's land and pledge of certain equity shares of KSK Energy Venturers Limited. The tenure of debentures is 8 years with redemption of at the end of 7th year and 8th year in two equal installments. These debentures carry a weighted average interest rate 17% p.a.

14 Trade payables

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Dues to other than micro and small enterprises	0.75	2.19	0.86
	0.75	2.19	0.86

The Company has not received any information from suppliers or service providers, whether they are covered under the "The Micro Small and Medium Enterprises Development Act, 2006". Disclosure relating to amount unpaid at the year end together with interest payable, if any, as required under the said Act are not ascertainable.

15 Other financial liabilities

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current			
Interest accrued	474.54	276.85	98.88
Total - A	474.54	276.85	98.88
Current			
Interest accrued	236.56	266.60	217.35
Salaries and bonus payable	0.48	1.05	0.13
Advance received against issue of financial instruments	1,442.60	-	-
Other liabilities	3,504.85	2,913.51	1,461.84
Total - B	5,184.49	3,181.16	1,679.33
Total A+B	5,659.04	3,458.01	1,778.21

16 Other liabilities

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Statutory liabilities	9.69	12.67	3.29
	9.69	12.67	3.29

KSK Electricity Financing India Private Limited**Notes to Financial Statements**

(All amounts are in ₹ millions, unless otherwise stated)

17 Other income

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Interest income	0.63	1.43
Interest on preference shares	382.47	344.07
Unwinding of discount on debentures and preference shares	245.33	213.33
Miscellaneous income	-	0.00
	628.43	558.84

18 Employee benefit expenses

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Salaries, wages and bonus	1.99	4.98
Contribution to provident and other funds (Refer note 9)	0.13	0.08
Staff welfare expenses	0.07	0.12
	2.19	5.17

19 Finance cost

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Interest expenses	445.83	592.97
Unwinding of discount on debentures	64.17	55.80
Other borrowing cost	2.24	0.12
	512.24	648.89

20 Other expenses

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Rates and taxes	0.02	0.18
Repairs and maintenance		
Others	0.35	0.29
Rent	1.33	1.23
Insurance	0.01	0.01
Office expenses	0.07	0.01
Communication expenses	0.40	0.57
Professional and consultancy charges	0.29	0.84
Remuneration to auditors		
for audit	0.46	0.46
for tax audit	-	0.01
for certifications	0.01	0.03
	2.94	3.62

21 Other comprehensive income

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans;	0.02	(0.09)
	0.02	(0.09)

KSK Electricity Financing India Private Limited**Notes to Financial Statements**

(All amounts are in ₹ millions, unless otherwise stated)

22 Earning/loss per share: (EPS)

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Net profit/(loss) after tax	107.76	(104.14)
Weighted average number of equity shares outstanding during the period (used for calculation of basic / diluted earnings per Earning/(loss) Per Share–basic and diluted (in Rs.)	570.12	570.12
Face value of equity shares	0.19	(0.18)
	10.00	10.00

23 Operating Leases :

The company has entered in to certain operating lease agreements. An amount of ₹ 1.33 (31 Mar 2016: ₹ 1.23) paid under such agreements has been disclosed as “Rent” under other expenses in statement of profit and loss.

24 Related Party Disclosures :**a) List of related parties and nature of relations**

Name of the party	Nature of relationship
Enterprises where control exist	
1 K&S Consulting Group Private Limited	Ultimate Holding Company
2 KSK Energy Ventures Limited	Holding Company
3 Sai Lilagar Power Generation Limited	Subsidiary
4 Sai Regency Power Corporation Private Limited	Subsidiary
5 Sai Wardha Power Generation Limited	Subsidiary
6 VS Lignite Power Private Limited	Subsidiary
7 KSK Wind Energy Halagali Benchi Pvt Ltd	Subsidiary
8 KSK Wind Energy Mothali Haveri Pvt Ltd	Subsidiary
9 KSK Wind Power Sankonahatti Athini Pvt Ltd	Subsidiary
Enterprises where significant influence exist	
1 KSK Green Energy PTE Limited	Fellow Subsidiary
2 KSK Mahanadi Power Company Limited	Fellow Subsidiary
3 KSK Dibbin Hydro Power Private Limited	Fellow Subsidiary
4 JR Power Gen Private Limited	Fellow Subsidiary
5 KSK Dinchang Power Company Private Limited	Fellow Subsidiary
6 KSK Jameri Hydro Power Private Limited	Fellow Subsidiary
7 KSK Upper Subansiri Hydro Energy Private Limited	Fellow Subsidiary
8 KSK Energy Company Private Limited	Fellow Subsidiary
9 KSK Wind Energy Nandgaon Athni Private Limited	Fellow Subsidiary
10 KSK Wind Energy Private Limited	Fellow Subsidiary
11 KSK Water Infrastructure Private Limited	Fellow Subsidiary
12 Raigarh champa Rail Infrastructure Private Limited	Fellow Subsidiary
13 KSK Surya Photovoltaic Venture Limited	Fellow Subsidiary
14 Kameng Dam Hydro Power Limited	Fellow Subsidiary
15 SN Nirman Infra Projects Private Limited	Fellow Subsidiary
16 KSK Mineral Resources Private Limited	Fellow Subsidiary
17 KSK Wind Energy Madurai MS Puram Private Limited	Fellow Subsidiary
18 Sai Maithili Power Company Private Limited	Step down Subsidiary
19 Sitapuram Power Limited	Joint operation

Key Management Personnel and their relatives:

b) Name of the party	Nature of relationship
B.N. Prakash	Managing Director & CFO
S. Venkatesh	Director
V. Sambasiva Rao	Director
K. Bapi Raju	Director

c. Particulars of related party transactions for the year ended

		31 March 2017			31 March 2016		
S.No.	Nature of trans:	Subsidiaries	Holding/ Ultimate Company	Fellow subsidiaries / Joint operation	Subsidiaries	Holding/ Ultimate Company	Fellow subsidiaries/ Joint operation
Transactions							
1	Interest Income	347.94	-	34.99	172.43	-	172.10
2	Loans and advance	(377.64)	-	804.67	1,141.89	-	111.62
3	Loans taken/(repaid)	436.29	1,193.28	(891.95)	1.45	1.37	1,473.54
4	Advance for investment	640.10	-	-	-	-	-

d. Balances at year ended

S.No.	Particulars	Subsidiaries	Holding/ Ultimate Company	Fellow subsidiaries/ Joint operation
31 March 2017				
1	Amount receivable	2,803.19	-	1,300.89
2	Amount Payable	693.10	1,194.65	1,266.75
3	Advance for investment	640.10	-	-
31 March 2016				
1	Amount receivable	2,832.88	-	461.28
2	Amount Payable	223.32	1.37	2,129.07
1 April 2015				
1	Amount receivable	-	-	15.66
2	Amount Payable	194.19	-	357.40

e. Corporate guarantees of ₹ 2000.00 (31 Mar 2016: ₹ 2000.00; 1 Apr 2015: ₹ 2000.00) and Letter of credits of ₹ 230.00 (31 Mar 2016: ₹ Nil; 1 Apr 2015: ₹ Nil) has been given by holding company on behalf of the Company.

25 First-time adoption of Ind-AS

The Company has adopted Ind AS from 1st Apr, 2016 and the date of transition to Ind AS is 1st Apr, 2015. These being the first financial statements in compliance with Ind AS, the impact of transition has been accounted for in opening reserves and comparable periods have been restated in accordance with Ind AS 101 –“First-time Adoption of Indian Accounting Standards”. An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Following are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind

a Deemed cost of property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all its property, plant and equipments and intangible assets recognised as of 1st Apr, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost on transition date.

b Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after transition date.

c Classification and measurement of financial assets

The Company has assessed classification and measurement of financial assets on the basis of facts and circumstances that exist as on

d Impairment of financial assets

The Company has applied impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

KSK Electricity Financing India Private Limited**Notes to Financial Statements**

(All amounts are in ₹ millions, unless otherwise stated)

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for the prior periods.

Reconciliation of Balance sheet as at date of transition (1 April 2015)

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
I ASSETS				
1 Non-current assets				
(a) Property plant and equipment		24.49	-	24.49
(b) Financial asset				
(i) Investments	2	12,911.14	(3,245.54)	9,665.59
(ii) Loans		0.48	-	0.48
(iii) Other financial asset	3	-	1,680.52	1,680.52
(c) Deferred tax assets (net)		1.51	-	1.51
(d) Other non-current assets	4	11.53	(0.73)	10.80
2 Current assets		12,949.16	(1,565.75)	11,383.41
(a) Financial asset				
(i) Cash and cash equivalents		7.15	-	7.15
(ii) Loans		15.45	-	15.45
(iii) Other financial asset		0.21	-	0.21
(c) Other current assets	4	0.51	(0.11)	0.39
		23.32	(0.11)	23.21
TOTAL		12,972.48	(1,565.86)	11,406.61
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital		5,701.15	-	5,701.15
(b) Other equity	8	(365.86)	(530.91)	(896.77)
Total Equity		5,335.29	(530.91)	4,804.38
2 Non-current liabilities				
(a) Financial liability				
(i) Borrowings	4, 5	3,355.00	(1,133.83)	2,221.17
(ii) Other financial liabilities	6	-	98.88	98.88
		3,355.00	(1,034.96)	2,320.04
3 Current liabilities				
(a) Financial liability				
(i) Borrowings		2,598.70	-	2,598.70
(ii) Trade payables		0.86	-	0.86
(iii) Other financial liabilities		1,679.33	-	1,679.33
(b) Other current liabilities		3.29	-	3.29
		4,282.18	-	4,282.18
		12,972.48	(1,565.86)	11,406.61

The Previous GAAP figures have been reclassified to conform to IND AS presentation requirement for the purpose of this note

Reconciliation of Balance sheet as at date of transition for the year ended 31.03.2016

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
I ASSETS				
1 Non-current assets				
(a) Property plant and equipment		22.36	-	22.36
(b) Financial asset				
(i) Investments	2	12,911.14	(3,032.21)	9,878.93
(ii) Loans		0.48	-	0.48
(iii) Other financial asset	3	-	2,024.60	2,024.60
(c) Other non-current assets	4	1,247.49	(1,244.71)	2.79
2 Current assets		14,181.47	(2,252.32)	11,929.15
(a) Financial asset				
(i) Cash and cash equivalents		3.36	-	3.36
(ii) Loans		1,617.60	-	1,617.60
(iii) Other financial asset		0.60	-	0.60
(b) Other current assets	4	199.80	(194.86)	4.95
		1,821.36	(194.86)	1,626.50
TOTAL		16,002.83	(2,447.18)	13,555.65
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital		5,701.15	-	5,701.15
(b) Other equity	8	(1,070.06)	69.06	(1,001.00)
Total Equity		4,631.09	69.06	4,700.15
2 Non-current liabilities				
(a) Financial liability				
(i) Borrowings	4,5	3,395.00	(1,077.92)	2,317.08
(ii) Other financial liabilities	6	-	276.85	276.85
(b) Other non current liabilities		1,715.18	(1,715.18)	-
		5,110.18	(2,516.25)	2,593.93
3 Current liabilities				
(a) Financial liability				
(i) Borrowings		3,065.54	-	3,065.54
(ii) Trade payables		2.19	-	2.19
(iii) Other financial liabilities		3,181.16	-	3,181.16
(b) Other current liabilities		12.67	-	12.67
		6,261.57	-	6,261.57
		16,002.83	(2,447.18)	13,555.65

* The Previous GAAP figures have been reclassified to conform to IND AS presentation requirement for the purpose of this note

Reconciliation of statement of profit and loss for the year ended 31 March 2016.

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
I Other income	2, 3	1.44	557.41	558.84
II Total revenue		1.44	557.41	558.84
III Expenses				
Employee benefits expenses	7	5.26	(0.09)	5.17
Finance costs	5	691.46	(42.57)	648.89
Other expenses		3.62	-	3.62
Depreciation		3.78	-	3.78
Total expenses		704.12	(42.66)	661.47
IV Profit / (loss) before tax (II - III)		(702.69)	600.06	(102.63)
V Tax expense / (income)				
Deferred tax		1.51	-	1.51
Total tax expense / (income)		1.51	-	1.51
VI Profit / (loss) for the year (IV - V)		(704.20)	600.06	(104.14)
VII Other comprehensive income				
Items that will not be reclassified to profit or loss	7	-	(0.09)	(0.09)
Other comprehensive income(loss)/gain (after tax)		-	(0.09)	(0.09)
Total Comprehensive Income/(loss) for the period (VII+VIII)		(704.20)	599.97	(104.23)

* The Previous GAAP figures have been reclassified to conform to IND AS presentation requirement for the purpose of this note

Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2016

		Previous GAAP	Adjustments	Ind AS
Net cash from operating activities	10	(341.45)	0.20	-341.25
Net cash from investing activity	10	(1,255.01)	(0.32)	-1,255.33
Net cash from financing activities	10	1,592.67	0.12	1,592.79
Net increase / (decrease) in cash and cash equivalents		(3.79)	-	(3.79)
Cash and cash equivalents as at 1 April 2015		7.15	-	7.15
Cash and cash equivalents as at 31 March 2016		3.36	-	3.36

1 Capital work in progress:

Ind AS 16 – Property, plant and equipment, specifically excludes general and administrative expenditure from being capitalised and require it to be charged to the statement of profit and loss in the year in which they incur. Whereas guidance under previous GAAP permits capitalisation of these costs provided they are specifically attributable to construction of a project, to the acquisition of a fixed asset or bringing it to its working condition. This change has reduced the carrying amount of capital work in progress by Rs. Nil with corresponding effect in profit or loss for the year ended 31 March 2016.

2 Fair valuation of investments:

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value.

Under Ind AS, these investments are required to be measured at fair value or amortised cost. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised as equity portion of investment in subsidiaries as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2016. This increased the retained earnings by ₹ 3,032.21 as at 31 March 2016 (1 April 2015 ₹ 3,245.54).

3 Investment in preference shares

Further as per Ind AS, since investment in preference shares are held at amortised cost as the contractual cash flows are solely payments of interest and principal, interest on such preference shares have been recognised as receivable from the issuer of such instruments, as at 31 March 2016 amounting to ₹ 2,024.60 (1 April 2015 ₹ 1,680.52)

4 Borrowings:

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss (or capitalised as part of property plant and equipment) as and when incurred.

Accordingly, borrowings as at 31 Mar 2016 have been reduced by ₹ 0.73 (1 Apr 2015: ₹0.84) with a corresponding adjustment to other

5 Compound financial instruments:

Under Ind AS 32, entities should split compound financial instruments into separate equity and liability components. Ind AS 101 provides that if the liability component is no longer outstanding at the date of transition, a first-time adopter does not have to separate it from the equity component.

Under previous GAAP the total amount of financial instruments was required to be classified under liability. Consequent to above, total equity as at 31 March 2016 decreased by ₹ 1,077.18 (1 April 2015 ₹ 1,132.99)

Change in the fair value of liability component at the end of the reporting period is recognised as finance cost for the period. Due to this, profit for the year ended 31 March 2016 has decreased by Rs.42.57

6 Fair valuation of non convertible debentures:

The Company has in issue non convertible debentures.. These debentures carry fixed cumulative interest. Under Indian GAAP, premium on issue of such debentures has been recognised in profit and loss.

Under Ind AS interest on non convertible debentures is recognised using the effective interest method. Accordingly, premium of ₹ 98.37 (1 April 2015 ₹ 98.87) has been reversed and recognised in retained earnings.

7 Re-measurements of post-employment benefit obligations:

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year ended 31 Mar, 2016 decreased by ₹ 0.09. There is no impact on the total equity as at 31 Mar 2016 and as at 31 Mar 2015.

8 Retained earnings:

Retained earnings as at 1 Apr 2015 and 31 Mar 2016 has been adjusted, consequent to the above Ind AS transition adjustments.

9 Other comprehensive income:

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

10 Statement of cash flows:

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

26 Financial risk management objectives and policies

The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

In the ordinary course of business, the Company is exposed to credit risk and liquidity risk.

Credit risk analysis

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including short-term deposits with banks and financial institutions, and other financial assets.

The carrying value of financial assets represents the maximum exposure for credit risk. The maximum exposure to credit risk of each class of financial assets at the reporting date was as follows:

	Note	Carrying value		
		31 Mar 2017	31 Mar 2016	1 Apr 2015
Investments - at amortised cost	6	4,556.72	4,311.38	4,369.92
Loans	8	2,000.11	1,618.08	15.93
Other financial asset	7	3,048.18	2,025.19	1,680.73
		9,605.01	7,954.65	6,066.58

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk analysis

The Company's main source of liquidity is its operating businesses. The treasury department uses regular forecasts of operational cash flow, investment and trading collateral requirements to ensure that sufficient liquid cash balances are available to service on-going business requirements. The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 90 day projection. Long-term liquidity needs for a 90 day and a 30 day lookout period are identified monthly.

The Company requires funds mainly for operational needs.

The following is an analysis of the Company's contractual undiscounted cash flows payable under financial liabilities at 31 Mar 2017:

	Current		Non-current		Total
	< 12 months	1-5 years	> 5 years		
Loan and borrowings	3,233.98	2,484.50	3,429.50		9,147.98
Trade and other payables	0.75	-	-		0.75
Other financial liabilities	5,184.49	237.27	237.27		5,659.04
Total	8,419.23	2,721.77	3,666.78		14,807.77

The following is an analysis of the Company's contractual undiscounted cash flows payable under financial liabilities at 31 Mar 2016:

	Current		Non-current		Total
	< 12 months	1-5 years	> 5 years		
Loan and borrowings	3,218.18	640.00	6,412.98		10,271.16
Trade and other payables	2.19	-	-		2.19
Other financial liabilities	3,181.16	-	276.85		3,458.01
Total	6,401.54	640.01	6,689.82		13,731.37

The following is an analysis of the Company's contractual undiscounted cash flows payable under financial liabilities at 1 Apr 2015:

	Current		Non-current		Total
	< 12 months	1-5 years	> 5 years		
Loan and borrowings	2,749.10	632.65	7,307.18		10,688.93
Trade and other payables	0.86	-	-		0.86
Other financial liabilities	1,679.33	-	98.88		1,778.21
Total	4,429.29	632.65	7,406.07		12,468.00

KSK Electricity Financing India Private Limited**Notes to Financial Statements**

(All amounts are in ₹ millions, unless otherwise stated)

Capital management

Capital includes equity attributable to the equity holders of the Company and debt. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value objectives include, among others:

- Ensure Company's ability to meet both its long-term and short-term capital needs as a going concern;
- Constantly evolve multiple funding alternatives – equity and /or preference capital, senior and /or subordinated debt, corporate loan facilities to arrive at an optimal capital mix;

No changes were made in the objectives, policies or processes during the year ended 31 March 2017 and 31 March 2016.

The Company maintains a mixture of cash and cash equivalents, long-term debt and short-term committed facilities that are designed to ensure the Company has sufficient available funds for business requirements.

The Company's net debt to equity ratio at the reporting date is as follows:

	31 Mar 2017	31 Mar 2016	31 Mar 2016
Total borrowing	6,578.98	6,460.54	5,953.70
Less : Cash and bank balances	(8.23)	(3.36)	(7.15)
Net debt	6,570.76	6,457.17	5,946.55
Equity	4,807.94	4,700.15	4,804.38
Total equity	4,807.94	4,700.15	4,804.38
Net debt to equity ratio	1.37	1.37	1.24

Financial Instruments

Carrying amounts versus fair values

The fair values of financial assets and financial liabilities, together with the carrying amounts in the statement of financial position are as follows:

	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	31 Mar 2017	31 Mar 2017	31 Mar 2016	31 Mar 2016	1 Apr 2015	1 Apr 2015
Non- current financial assets						
Investments - At amortised cost	4,556.72	4,556.72	4,311.38	4,311.38	4,369.92	4,369.92
Loans	0.48	0.48	0.48	0.48	0.48	0.48
Other financial asset	3,047.17	3,047.17	2,024.60	2,024.60	1,680.52	1,680.52
Total non-current	7,604.37	7,604.37	6,336.46	6,336.46	6,050.93	6,050.93
Current financial assets						
Cash and bank balances	8.23	8.23	3.36	3.36	7.15	7.15
Loans	1,999.63	1,999.63	1,617.60	1,617.60	15.45	15.45
Other financial asset	1.01	1.01	0.60	0.60	0.21	0.21
Total current	2,008.87	2,008.87	1,621.57	1,621.57	22.81	22.81
Total	9,613.23	9,613.23	7,958.02	7,958.02	6,073.74	6,073.74
Non- current financial liabilities						
Borrowings	2,491.37	2,491.37	2,317.08	2,317.08	2,221.17	2,221.17
Other financial liabilities	474.54	474.54	276.85	276.85	98.88	98.88
Total non-current	2,965.91	2,965.91	2,593.93	2,593.93	2,320.04	2,320.04
Current financial liabilities						
Borrowings	3,073.98	3,073.98	3,065.54	3,065.54	2,598.70	2,598.70
Trade payables	0.75	0.75	2.19	2.19	0.86	0.86
Other financial liabilities	5,184.49	5,184.49	3,181.16	3,181.16	1,679.33	1,679.33
Total current	8,259.23	8,259.23	6,248.89	6,248.89	4,278.89	4,278.89
Total	11,225.14	11,225.14	8,842.83	8,842.83	6,598.93	6,598.93

KSK Electricity Financing India Private Limited**Notes to Financial Statements**

(All amounts are in ₹ millions, unless otherwise stated)

27 Disclosure on Specified Bank Notes (SBN's)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	0.05	0.00	0.05
(+) Permitted receipts		0.08	0.08
(-) Permitted payments	(0.05)	(0.00)	(0.06)
(-) Amount deposited in Banks	-		-
Closing cash in hand as on December 30, 2016	-	0.08	0.08

* It is further stated that the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

28 The Company is primarily engaged in the business of investing in the power generation projects. Accordingly, there are no reportable segments as per Indian Accounting Standard - 108 "Operating Segments"

As per our report of even date

For Umamaheswara Rao & Co

Chartered Accountants

Firm Registration No. 004453S

For and on behalf of the Board

Sd/-

S.Venugopal

Partner

Membership No: 205565

Sd/-

B N Prakash

Managing Director & CFO

DIN : 05118633

Sd/-

V. Sambasiva Rao

Director

DIN : 00801763

Sd/-

Ranjith Kumar Shetty

Company Secretary

Place: Hyderabad

Date : 26 May 2017